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**Federal Communications Commission
1919 M St., N.W.
Washington, D.C. 20554**

**DA 99-419
March 1, 1999**

**International Bureau Issues Supplemental Comment Schedule
for Application to Obtain Japan-US Submarine Cable Landing License**

Re: Japan-US Cable Network Application, *In the Matter of AT&T Corp. et al.*, File No. SCL-LIC-19981117-00025

The International Bureau has pending before it the Japan-US Cable Network Application to obtain a submarine cable landing license, *In the Matter of AT&T Corp. et al.*, File No. SCL-LIC-19981117-00025. Comments filed in the proceeding raise issues whether grant of the application as filed would serve the public interest. In order to develop a more complete record, the Bureau issues a supplemental comment schedule pursuant to Section 1.45(c) of the Commission's rules, 47 C.F.R. § 1.45(c).

In response to the Japan-US application, Global Crossing Ltd. has filed a Petition to Defer and additional information asserting in part that "submarine cables planned, constructed, owned, and operated by [a consortium of] the major carriers serving a particular route pose a serious threat to competition in both the market for submarine cable facilities and the market for international telecommunications services." *See* Reply of Global Crossing Ltd. at i, File No. SCL-LIC-19981117-00025, filed Jan. 26, 1999. In particular, Global Crossing makes the following arguments:

- The control of submarine cable capacity allows leading members of the consortium to slow entry by smaller and newer international carriers.
- Control by consortium leaders over operating agreements and interconnection deters entry into the undersea cable market and encourages discrimination.
- Consortium control over other essential inputs to international telecommunications services raises the costs of rivals.
- Control of the terms of undersea cable construction and maintenance agreements allows consortium leaders to raise rivals' costs, especially those of smaller and newer carriers.

- The ownership of submarine cable suppliers by consortium members allows them to delay and retard entry into the undersea cable market.
- Consortium cables facilitate tacit and explicit collusion among the largest providers of international telecommunications services.

See id. Global Crossing also argues that the ownership structure of consortium cables has no procompetitive benefits and suggests that the Commission consider rules limiting the ownership of submarine cable systems. *See id.* at 30, 40.

The Commission is authorized to act on applications for cable landing licenses under the Cable Landing License Act, 47 U.S.C. § 35 (1994); *see* Exec. Order No. 10,530, *reprinted as amended in* 3 U.S.C. § 301 app. at 459–60 (1994) (delegating to the Commission the President's authority to issue cable landing licenses). The International Bureau seeks comment on the legal and policy issues raised by this application and the comments filed in this proceeding.

Interested parties are requested to file comments no later than March 8, 1999, and reply comments no later than March 15, 1999. Any filings should reference the file number of this proceeding. An original and four copies of all pleadings must be filed in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c). The pleadings should be filed with Magalie Roman Salas, Secretary, FCC, 445 12th Street, S.W., TW-A325, Washington, D.C. 20554. In addition, one copy of each pleading must be filed with (1) International Transcription Services, Inc., 1231 20th Street, N.W., Washington, D.C. 20037; (2) the International Bureau Reference Center, Room 102, 2000 M Street, N.W., Washington, D.C. 20554; (3) each of the joint applicants; and (4) Global Crossing Ltd.

Copies of the applications and any subsequently filed documents in this matter may be obtained from International Transcription Services, Inc. (ITS), 1231 20th Street, N.W., Washington, D.C. 20037, (202) 857-3800. The applications and any subsequently filed documents are also available for public inspection and copying during normal hours at the International Bureau Reference Center, located in Room 102, 2000 M Street, N.W., Washington, D.C.

This is a permit-but-disclose proceeding under the Commission's ex parte rules. *See* 47 C.F.R. § 1.1206(a)(5), (6). For additional information, please contact Doug Klein or Troy Tanner, Telecommunications Division, International Bureau, (202) 418-1470.

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